

COUNTY OF SAN LUIS OBISPO

ARTICLE XIII-B

(PROPOSITION 4)

APPROPRIATION LIMITATION DOCUMENT

FISCAL YEAR 2015-2016

PART I

COUNTY OF SAN LUIS OBISPO
ARTICLE XIII-B
DETERMINATION OF APPROPRIATION LIMITATION
STATEMENT OF COUNTY'S LIMITATION FOR FISCAL YEAR 2015-2016

The Auditor-Controller-Treasurer-Tax Collector's Office has examined the accounts and records of the County of San Luis Obispo and has determined, according to generally accepted requirements, that the County's base year "Proceeds of Taxes" for Fiscal Year 1978-79, as provided for in Article XIII-B of the State Constitution, and as implemented by Chapter 1205, Statutes of 1980, is \$27,797,911. The appropriation limit for Fiscal Year 2015-2016 is \$548,333,680. It has also been determined that of the County of San Luis Obispo's 2015-2016 proposed budgeted appropriations (\$564,318,975), \$191,336,520 is subject to the limitation, and \$356,997,160 is under the limitation. The calculation of the 2015-2016 appropriation limit is set forth below:

| | |
|--|-----------------------|
| 2014-2015 Limitation | \$543,096,685 |
| Adjustment for Prior Year Actual vs. Estimated Nonresidential New Construction Factor | (<u>19,026,391</u>) |
| 2014-2015 Adjusted Limitation | 524,070,294 |
| 2015-2016 Population Factor | x 1.0078 |
| 2015-2016 Per Capita Personal Income Factor | <u>x 1.0382</u> |
| 2015-2016 Appropriation Limit | 548,333,680 |
| 2015-2016 Proceeds of Taxes \$196,734,388 | |
| Adjustments for Federally Mandated Costs | |
| 1. Social Security Tax Distribution (\$5,397,868) | |
| Adjusted 2015-2016 Proceeds of Taxes* | <u>191,336,520</u> |
| Amount under Limitation | \$356,997,160 |

No further adjustment has been made for new or increased Federal or Court mandated costs that may exist. To the extent that any such mandate is financed by "Proceeds of Taxes", further adjustment could be made.

REVENUE CLASSIFICATION SCHEDULE

1978-79 BASE YEAR

| Revenue Source | Proceeds of Taxes | Non-proceeds |
|--|-------------------|--------------|
| Current Property Tax | \$11,374,120 | \$0 |
| Other Taxes | 3,079,665 | 0 |
| Licenses, Permits, and Franchises | 0 | 693,730 |
| Fines, Forfeits, and Penalties | 0 | 887,431 |
| Revenue from Use of Money and Property | 1,099,476 | 2,096,304 |
| Aid from Other Governmental Agencies | 4,489,795 | 25,383,468 |
| Charges for Current Services | 0 | 2,314,504 |
| Other Revenue or Funds | 7,754,855 | 6,202,027 |
| Total | \$27,797,911 | \$37,577,464 |

The total of the 1978-79 "Proceeds of Taxes", when increased by the cost-of-living or the change in nonresidential new construction, and population factors, is the appropriation limitation in subsequent years. The "Proceeds of Taxes" in the 2015-2016 fiscal year are subject to this limitation.

2015-2016 PROPOSED BUDGETED REVENUES

| Revenue Source | Proceeds of Taxes | | Non-proceeds | |
|--|-------------------|---------------|--------------|---------------|
| Current Property Tax | \$118,275,411 | | \$0 | |
| Other Taxes | 52,679,136 | | 0 | |
| Licenses, Permits, and Franchises | 0 | | 9,603,680 | |
| Fines, Forfeits, and Penalties | 0 | | 5,118,216 | |
| Revenue from Use of Money and Property | 95,170 | | 1,839,123 | |
| Aid from Other Governmental Agencies | 23,537,984 | | 215,906,543 | |
| Charges for Current Services | 1,810,287 | | 27,237,933 | |
| Other Revenue | 336,400 | | 25,959,328 | |
| Other Financing Sources | 0 | | 37,898,589 | |
| Total | (1) | \$196,734,388 | (1) | \$323,563,412 |
| (1) Total County Budgeted Revenues = \$520,297,800 | | | | |

APPROPRIATION LIMITATION ADJUSTMENTS 2015-2016

The provisions of Article III-B of the State Constitution specifically provide for "exclusions" to the Gann Appropriations Limit applicable to local governmental agencies. Section 9 of Article XIII-B provides as follows:

Appropriations subject to limitation for each entity of government shall not include:

- (a) Debt Service
- (b) Appropriations required for purposes of complying with mandates of the courts or the federal government which, without discretion, require an expenditure for additional services or which unavoidably make the providing of existing services more costly.
- (c) Qualified Capital Outlay.

This office has determined that the program listed below is a mandate imposed by the federal government that unavoidably makes the providing of existing services more costly.

Contributions for Social Security: In 1983, Congress amended the Social Security Act by barring public agency employers from terminating their previously voluntary participation in the social security system. In 1986 the United States Supreme Court ruled that the 1983 amendments precluded all public agency withdrawals after April 20, 1981. Therefore, social security costs since that time associated with the maintenance of existing services have been unavoidable.

2015-2016 Estimated social security contributions
funded by proceeds of taxes \$5,397,868